

§ 160A-457.2. Urban homesteading programs.

A city may establish a program of urban homesteading, in which residential property of little or no value is conveyed to persons who agree to rehabilitate the property and use it, for a minimum number of years, as their principal place of residence. Residential property is considered of little or no value if the cost of bringing the property into compliance with the city's housing code exceeds sixty percent (60%) of the property's appraised value on the county tax records. In undertaking such a program a city may:

- (1) Acquire by purchase, gift or otherwise, but not eminent domain, residential property specifically for the purpose of reconveyance in the urban homesteading program or may transfer to the program residential property acquired for other purposes, including property purchased at a tax foreclosure sale.
- (2) Under procedures and standards established by the city, convey residential property by private sale under G.S. 160A-267 and for nominal monetary consideration to persons who qualify as grantees.
- (3) Convey property subject to conditions that:
 - a. Require the grantee to use the property as his or her principal place of residence for a minimum number of years,
 - b. Require the grantee to rehabilitate the property so that it meets or exceeds minimum code standards,
 - c. Require the grantee to maintain insurance on the property,
 - d. Set out any other specific conditions (including, but not limited to, design standards) or actions that the city may require, and
 - e. Provide for the termination of the grantee's interest in the property and its reversion to the city upon the grantee's failure to meet any condition so established.
- (4) Subordinate the city's interest in the property to any security interest granted by the grantee to a lender of funds to purchase or rehabilitate the property. (1987, c. 464, s. 8; 1997-456, s. 27.)